

June 21, 1978

TO: City Council

FROM: Robert R. Ovrom, City Manager

SUBJECT: 1978-79 Preliminary Budget

*Real property Tax - See  
Municipal budgets... -- Monrovia  
Monrovia -- Approp. & expand.*

#### INTRODUCTION

On June 6, 1978 with the passage of Proposition 13, the Jarvis-Gann Tax Initiative the City of Monrovia, as well as all other municipalities, entered into a whole new world of local government finance. The full impact of that change and the final outcome of what city services will be effected and how those services will be paid for will probably not be totally realized for many months.

Presented herewith is a balanced budget for the fiscal year 1978-79 beginning July 1, 1978.

In order to prepare this budget certain assumptions had to be made about the financial picture after July 1 even though at this time we cannot be sure how valid these assumptions will prove to be. This budget should be viewed as a very flexible budget and subject to change during the next several months.

#### FINANCIAL CONDITION

Many questions about the technical implementation of Proposition 13 still need to be made by the legislature, or perhaps by the courts. In order to calculate the loss of property taxes staff has made the following assumptions:

1. That the City will receive a prorata share of the remaining property taxes to be collected under the 1% formula. The wording of Proposition 13 provided only that the remaining property taxes be "apportioned according to law to the districts within the County". The League of California Cities is pushing legislation that will guarantee that the word "districts" include cities. Some school districts and special districts are arguing that they should have first claim on all remaining property taxes. The County Assessor has indicated that his interpretation will be that the cities should receive a prorata share.
2. That the prorata share will be based on the proportion of the property taxes the City was receiving in 1975-76. The County Assessor has said that 1975-76 is the base he would use. The legislation the League is pushing for divides the prorata share based on averaging 75-76, 76-77, and 77-78. The City of Monrovia would be slightly ahead using the average approach. However, the difference is less than \$50,000 a year and staff felt it would be safer to use the conservative figure. In 1974-75 the City received 14.5% of the total property tax dollar.
3. That there will be a 6% increase in the 75-76 base for inflation. Proposition 13 provides that the Assessed Valuation may increase at 2% a year. The question arises whether or not the 2% starts at the 75-76 base year or only after the election in 1978. The County Assessor indicates that he will be crediting cities with the 2% for each year since 1975-76.



4. That the City will receive credit for all new construction completed since 1975-76. There has been about \$31 million dollars in building permit valuation in the last three years. For purposes of preparing this budget staff has assumed a \$25 million increase due to new construction for the City. Much of what is now seen under construction was not, of course, completed by the March 1 cut off date and therefore cannot be counted even though the building permit has been issued. Moreover, much of the new construction was in the MRA Project Area.
5. That there will be a proportionate decrease in the State reimbursement for the homeowners exemption and the business inventory tax. The impact on both of these is not in as much doubt but there might be some legislation or litigation trying to clarify the impact of Jarvis on both.

*Q* The last page of this report there is a detailed calculation of how much property tax the City can expect under Proposition 13 given the above assumptions. We should receive slightly less than \$500,000. Without Proposition 13 for 1978-79 it would have been \$2,353,600. That is an 80% reduction--or a loss to the City of \$1,853,600. Some other non-property tax revenues have gone up normally (sales tax is up over \$100,000) and certain fixed costs have also increase because of inflation. To the extent that those offset each other, it is accurate to say that the impact of Jarvis on the City is \$1,853,600.

However, through proposed reductions in services, increases in other revenues and shifting of priorities this preliminary 78-79 budget is balanced.

The specific impact on each fund will be explained in the individual narrative for each fund. How much each fund and each department will be effected varies greatly because of the approach the City has used to prioritize services. Rather than making an across the board cut in all departments, the City Council adopted the staff proposed contingency plan which made larger cuts in leisure and social services in order to assure that there would be no reductions in the number of policemen or firemen.

On page ~~400~~ there begins a comprehensive list of all the adjustments that were made to the preliminary 78-79 budget to insure that it would be in balance. That list includes all personnel that are eliminated, all services that are cutback and all revenues that are either increased or shifted. If and when the State begins sending financial aid to the City it should be possible to turn to that list and begin making changes. Within each operating department the items are prioritized. However, there are no citywide priorities proposed. The City Council will have to give staff direction in that regard.

#### PERSONNEL REDUCTIONS

Unless financial aid from the State is forthcoming, this balanced 78-79 preliminary budget calls for eliminating or not filling vacancies for 14 regular, full-time positions and 18 part-time positions.



<u>Department</u>	<u>Position</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>CETA</u>
General Administration	Deputy City Clerk	1		
Police				
Fire	Mountain Patrol Officer	1		
	Dispatcher	1		
	Civil Defense Coordinator		1	
Community Development	Building Division Manager	1		
	Planning Division Manager	1		
Community Services	Park Maintenance Foreman	1		
	Community Center Coordinator	1		
	Clerk Typist	1		
	Custodian	1		
	Senior Recreation Leader	1		
	Recreation Leaders		10 (FTE)	
Public Works	Street Maintenance Worker	2		2
	Assoc. Civil Engineer	1		
Library	Library Clerk I	1		
	Library Staff	—	8 (FTE)	—
		14	18 (FTE)	2

Certain very important distinctions should be made. There will be no reductions in the number of police officers or firemen! In the Fire Department the Mountain Patrol Officer is out of the Fire Prevention Division and not a firefighter per se out of the Fire Suppression Division. Moreover, the reduction is not scheduled to take place until January 1 after the summer fire season. Perhaps by that time the State will have provided financial aid to retain the position. The job of fire prevention is extremely important and I would recommend a high priority on replacing the position if and when State aid is forthcoming. (As an aside, the individual in that job is one of the most outstanding City employees.) The dispatcher position in the fire department is being proposed to be laid off in November on the assumption that the Tri-City dispatching system will be in operation.

The Building Division Manager position is vacant already. Even with State assistance this position would not be refilled at this level.

Four of the positions in Community Services (out of the Community Center budget) are vacant. We are not recommending that the positions be eliminated. Instead we are suggesting that a hiring freeze be placed on them until the issue of State aid is resolved. Although a park maintenance foreman is being eliminated, the individual can be picked up with the Landscaping Maintenance District's new position if that District is adopted by the City Council.

The Library Clerk I was a new position created in last year's budget which has never been filled.

All of the employees to be laid-off will be sent layoff notices by June 23. The budget provides for a 30 day paid lay-off notice. All of these people will be placed on a rehire list should State aid be forthcoming and the City Council decides to reinstate their positions.



Federal regulations require that if any employee is laid off all of the CETA positions in a related class must also be laid off. Hence, because we are laying off 2 street maintenance men, all of the CETA street maintenance men (which also happens to be 2) must also be laid off.

#### BUDGET HIGHLIGHTS

It is impossible to obtain a full appreciation of all of the complexities and changes in each fund without reviewing the narrative description and financial charts for each fund. However, I will attempt here to provide a summary of some of the more important aspects of each fund so that you may be cognizant of the adjustments and what to be looking for as you review each fund.

#### General Fund

In 1977-78 the General Fund was able to recover from the very poor financial condition that prevailed in this fund throughout the preceeding several years. This financial recovery was possible because of an 18.7% increase in the City's Total Assessed Valuation (which was partially offset by a 5 cent reduction in the property tax rate) plus certain economies and efficiencies that were made in the actual operation of the City. Even in the face of the major revenue reduction provided by the passage of Proposition 13, adjustments are being proposed now that through expenditure cuts, shifting priorities and some replacement revenue will insure that the fund will remain financially solvent throughout 1978-79.

All of the remaining property tax that did not go to the voter approved retirement fund is being kept in the General Fund. Hence, that the total amount of property taxes available to the fund is only \$73,858--down over 90% from what was budgeted in 1977-78. Normal inflationary growth of some revenues (such as sales tax) plus the locally increased fees and charges help to make up part of the loss. The end result is still a 27% reduction in recurring revenues--down to \$2,558,262 compared to the 77-78 figure of \$3,490,015 (a difference of \$931,753 in this fund alone).

The composition of both the transfer in and the transfer out have been significantly changed and are explained in detail on page .

Current operating expenses in the fund for personnel, maintenance and operation and capital outlay are down 15% from 1977-78. Again, it is necessary to read the expenditure budget for each department to access the impact.

One area of concern is that the Ending Balance is \$238,913 below the Beginning Balance. That means that the fund has a "negative cash flow"--we are spending more than we are bringing in and making it through the year by depleting reserves by that amount. This practice is the type of problem the City got into during the early 1970's and which we had to work so hard to reverse last year. However, one redeeming aspect is that the ending amount of \$442,610 is still \$82,740 above the 10% Ending Balance amount that the City has designated as an appropriate reserve. In normal times what we could do with the amount above the 10% figure is transfer it to Project Resources for non-recurring capital projects. In these very abnormal times staff is recommending that we tolerate the negative cash flow situation but that we keep all of the ending balance in reserve.

#### Parks & Recreation Fund

The Parks and Recreation Fund will probably be one of the most difficult funds to understand. Many very significant changes are being made. The Transfer-In from gas tax is being eliminated but a new transfer in from the proposed Lighting and Landscaping



Maintenance District is being made. Moreover, the new Lighting and Landscaping Maintenance District is also paying for that portion of the parkway maintenance budget that was previously paid for from the Parks & Recreation Fund.

However, the Recreation Division is the more complex issue. In essence, we have thrown the whole thing up in the air and have managed to bring it down on its feet. However, the Division that we threw up in the air is very different from the one that has landed. Although the total amounts of money might seem not to be that different, there is a major philosophical shift away from the free program and toward the pay or user-charge programs.

The property tax income was eliminated and a new smaller transfer in from Revenue Sharing has been made instead.

Moreover, to make it work we have depleted reserves by over \$80,000 and left them with virtually nothing in the ending balance.

This is an answer for 1978-79 but it is a long ways from a solution for the future.

The action list at the end of this report will detail all of the changes.

### Library

The Library has made considerable progress in the last two years. In 1976-77 the tax rate was increased to 22½ cents per \$100 of assessed valuation. In 1977-78 a new Library Clerk position was added. Total authorized expenditures grew by over 25% between fiscal year 76-77 and 77-78.

The proposed budget for 78-79 reflects a dramatic reversal of that trend. Total expenditures drop from the \$256,775 budgeted for 77-78 to \$114,976 for 78-79.

Requirements of State law prohibit Libraries from imposing user charges that would help supplement the budget. The property tax was the main source of revenue for the fund in the past. The only remaining property taxes now are a few thousand dollars in "prior years" collections. By next year or the following that will dwindle down to nothing. The only significant new offsetting money is a transfer in of \$66,710 from the Revenue Sharing Fund.

One presently vacant Library Clerk position is being deleted from the budget and most of the part-time employees are being cut. The Library would attempt to draw upon volunteers to help make up the loss of the part-time employees. The part-time employees are virtually "regular" employees and are not the seasonal or temporary help that one normally thinks about with part-time positions. Hours of operation will be reduced from 56 hours per week to approximately 30. Combined with the other revenues the Total Resources is \$75,000.

One area of particular concern is that the Library is substantially reducing its reserve in order to make it through the year. They are spending about \$40,000 more than they are taking in. Hence, the situation could get worse next year if some assistance from the State is not forthcoming.

For the last two years the Library Board and the Chief Librarian have been given almost total autonomy in determining the expenditure budget. The manager's office does little more than provide the revenue figures. Thereafter all of the specific allocations are determined by the Library. From a management point of view I am concerned that some of the allocations this year are a little unrealistic. In order to avoid any cutbacks in full-time employees, many of the operating accounts such as utilities, supplies, etc.



are reduced below what I think is reasonable to expect. The book budget, hertofore considered one of the most important items, is totally eliminated. It is hard to imagine a Library that bought no new books or any magazines during the year. I imagine they hope to have fund raising events for such purposes. There might be some public criticism that the Library has gone so far to retain all of their existing full-time employees that they are now slighting their primary responsibility--the library patron. I am sure those were difficult issues for the Board to resolve--how do you best serve the public with limited resources? Is it better to keep all of the employees or some of the book and magazine budget? Making those types of philosophical decisions is a responsibility that has been entrusted to the Library Board and Chief Librarian. The City Manager's office has not altered any of the allocations.

Moreover, the Library reduced their ending balance reserve to virtually nothing. Although in normal times that would be viewed as an unacceptable management practice, in these very abnormal times it could be viewed as acceptable if one accepts the notion that this is a "transition year".

#### Retirement

The retirement fund was given first priority on all remaining property taxes. Coverage for all City employees in the Public Employees Retirement System (PERS) was approved by a general election of the people with the cost to be paid for from a property tax. There will be some legal question as to whether or not this fund should be granted an over-ride from the restrictions of Proposition 13 because it is a voter approved expense. Such an over-ride is specifically provided for in Proposition 13 for voter approved bond issues. Whether the same consideration will be granted for this contractual obligation is yet to be determined.

In order to protect the integrity of the voter approved fund, all of the PERS obligations were met with the remaining property taxes. That accounted for 87% of those taxes. The remainder was transferred to the General Fund.

#### Lighting and Landscaping Maintenance District

As of this writing the City Council has taken no final action on whether or not to form the Lighting and Landscaping Maintenance District. Because the proposal was approved as part of the contingency plan adopted in May, staff has included its impact in balancing this budget. If the District is ultimately not formed then it would be necessary to offset the \$526,000 it represents with additional cuts or adjustments.

#### Street Maintenance

This is a totally new fund ~~being created~~ this year. Previously, all street maintenance was budgeted out of the General Fund. Much of the money to support those activities was transferred in from several other funds--Gas Tax 2107, Gas Tax 2106, Storm Drain Fund and County Aid fund. You will recall that in all previous budgets each of these above items appeared as a separate fund even though all that was ever said about them was that they were transferred to the General Fund.

This year all of those separate funds are eliminated and one new fund is created with each of those funding sources now recurring merely a revenue account for the fund. None of these accounting changes have anything to do with Jarvis--it is merely an administrative consolidation that should make the function more manageable.

It would be nice to have all of these gas tax revenue sources totally pay for the street maintenance function. However, in an older city such as Monrovia where all of the streets, curbs, sidewalks and gutters have been around for decades, that is simply



not possible. Before the General Fund simply made up the difference between what was needed and what was coming in from Gas Tax. The same thing is still true except that it is done now in the form of a transfer from the General Fund to the Street Maintenance Fund.

Because of the cutbacks necessitated under Proposition 13 the City will be paying substantially less for street maintenance this year. Two full-time street maintenance workers are being cut from the budget. Moreover, as a result of Federal regulations two CETA maintenance workers are also being cut.

Right now it is difficult to predict exactly what the impact will be. If you ask John Q. Citizen he will probably relay stories about seeing one person working and 3 leaning on their shovels. Whether or not it is true, that is the general perception of public works crews in all cities.

Surely, it will mean that our in-house crews will be involved in fewer construction projects. We still do some alley and sidewalk work even though the policy of the last 18 months has been to use private sector contractors for construction projects and in-house crews only for maintenance work.

What the impact will be on reducing the level of maintenance of our public improvements will have to be monitored very carefully. The City has an immense multi-million dollar investment in streets, sidewalks, curbs, gutters, storm drains, etc. If you get too far behind on routine maintenance all of a sudden you find that you now need to totally reconstruct it. Poor maintenance is the classic example of "penny wise and dollar foolish". For an older city, Monrovia streets are in excellent condition. That has not been accomplished by luck. Lots of hard work--and money--has been required. To continue to meet those standards on a significantly reduced budget will be a major challenge.

#### Project Resources

Project Resources is always a very complex fund to understand. In addition to the usual fund statement chart and the expenditure detail chart it is also imperative to look at the table on page which details all of the capital improvement projects and their financial status.

This fund has gone through many changes in the last few years. For many years 25% of the sales tax went to this fund. In the budget squeeze of 1975-76 that practice was stopped. Last year the largest single source of revenue was the sale of land--Royal Oaks and Peck Road Triangle. Obviously, that is a limited source of money. The only remaining income has been the royalties for the mining of the City owned gravel pit east of Peck Road, south of Live Oak. Now the City has been notified that the gravel pit has been mined out and that Blue Diamond will not be renewing their contract next year. The City received \$140,000 from that contract two years ago. For 1977-78 it dipped to \$80,000 and for 78-79 we are anticipating \$50,000. After that we will be out of the business. During this year we will need to start making plans <sup>about</sup> what to do with that "hole in the ground". regret, IVG-

Anticipating the need to continue funding Capital Projects, the City in May, 1978 adopted the New Construction Excise Tax which places a one time charge of \$125 per bedroom for each newly constructed residential dwelling and 25¢ per square foot for commercial and industrial buildings. For 1978-79 we are anticipating to raise \$175,000 from this tax.



Maintaining a capital improvement fund is extremely important to the future of the City. It is the major source of paying for new streets, sidewalks, alleys, curbs, gutters, etc. The two biggest projects in it for 1978-79 are the Myrtle Avenue Beautification Project (\$957,864) and the new City Yard Project (\$524,258).

From a management point of view this type of capital improvement money should never be used to subsidize the operating expenses of the City. Such large amounts of money look tempting to dig into but because of their inherent non-recurring nature they are a "fool's gold" if used to pay for salaries and supplies and thereby raise a level of service that could not be funded after the income was depleted.

### Revenue Sharing

Another fund which is going through a radical change is the Revenue Sharing Fund.

When this federal program was originally created the City of Monrovia designated that all of the income received from it would go to "economic development". The later creation and growth of the Redevelopment Agency eventually nullified the importance of this fund for that purpose. Four years ago the City Council designated that 20% (later raised to 25%) of the Revenue Sharing Funds be allocated for Social Services. Hence, such programs as dial-a-ride, meals-on-wheels, Senior Nutrition and Activities Program (SNAP) were created as well as direct financial aid given to such community based organizations as the YWCA, Reach Out, Job Resources, Santa Anita Family Service, etc. The remainder was allocated for non-recurring capital projects. Throughout the history of Revenue Sharing in Monrovia none of these funds have ever been used to subsidize employee salaries or current operating expenses.

For 1978-79 that philosophy has totally changed. Large direct transfers are being made to the Library, Parks & Recreation and General Fund for the direct operation of the City. Only a small amount, by comparison is being allocated to capital projects. All of the money going for social services is being deleted.

In May, 1978 the MRA repaid a \$500,000 loan to the General Revenue Sharing Fund. Staff is recommending that that money be earmarked for economic development. With the future of the MRA in doubt, the City might again be needed in the effort to revitalize the commercial and industrial climate in Monrovia. No specific use of the money is recommended here and the City Council can make decisions regarding that at a later date.

One spin-off of Proposition 13 is that after next year the amount of the money coming to the City from General Revenue Sharing might start to go down because of the lower "taxing effort" used in the federal formula for distributing the money. Hence, it is important to not get carried away in using these funds for current expenses.

### CONCLUSION

I cannot tell you that I think this is a "good" budget. From a financial point of view I am concerned because virtually all major funds have a negative cash flow--we are spending more in operation than we are bringing in with revenues and as a result are making it through the year by depleting our reserves. Moreover, from a service point of view I am concerned that the magnitude of the cuts in the leisure services (Library and Recreation) and the elimination of the social services will fall hardest on those segments of our community which can least afford the alternatives.

However, if we can accept the notion that this is a "transition year", then I can say that this is an acceptable budget.



Most importantly, I can say that it is a sincere attempt to respect the mandate of the people under Proposition 13. We are doing everything that we can in a positive fashion to "make it work". There will be from us no cries of chaos or calamity. We will "make do" with the resources available to us to continue to provide the essential services of the City at the highest professional level possible.

I am personally convinced that we have done everything we can to reflect the will of the majority of the community in establishing our priorities. Virtually everyone wants to eliminate the "waste and fat" in government. The City of Monrovia has always been too poor to develop any fat. We do not have the regional shopping centers, the race tracks, the fair grounds, the large exclusive residential neighborhoods nor the revenue producing alternatives of Charter Cities to generate the amounts of money that could make us fat. Perhaps because we did not have those extra revenues in the first place we have become a better organization. Surely, we are a more lean one. Moreover, because we are an older city, with older streets, sewers, water lines, etc. and because we are a more socio-economically mixed community our operating expenses are often higher than the shiny new homogenous suburb communities that are so typical of Southern California. Hence, it is not so easy for us to find any waste and fat to cut.

Furthermore, what is a "waste" is often in the eye of the beholder. A particular city service or program that is very worthwhile or important to one person can often be viewed by someone else as "waste" if that person has no need for or interest in that particular service. Making value judgements about all of the services the City provides is an extremely difficult task.

Staff has made every effort we can to try to reflect in this budget the priorities of the community as best as we can perceive them. There are no personnel reductions in the essential safety services of police and fire. There are reductions in the physical services of building inspection, land use planning and public works. There are even greater reductions in the leisure services of recreation and Library as well as total curtailment of the social service programs.

This assessment of the City's priorities and funding levels is, of course, only the recommendations of staff. The final decisions must now be made by the directly elected representatives of the people--the City Council. Any and everything in this budget is subject to change by the City Council.

Moreover, the following section of this report is a listing of all of the "adjustments" that were made to bring this budget into balance. It includes all of the personnel and services that we cut as well as all of the revenues that were raised or shifted. The City Council may add to or detract from that list in modifying the preliminary budget. If and when financial assistance from the State arrives, the Council may return to that list to make further adjustments.



1978-79 BUDGET ADJUSTMENTS

I. PROGRAM AND SERVICE LEVEL REDUCTIONS

<u>Program</u>	<u>Net Reduction</u>	<u>Personnel Impact</u>	<u>Council Action</u>
<u>GENERAL ADMINISTRATION</u>			
<u>01-210 City Council</u>			
- Eliminate all salaries & benefits	12,095		
- Reduce scope of audit	12,000		
- Reduce conferences & travel	1,700		
- Reduce education & training	500		
	<u>26,295</u>		
<u>01-211 City Manager</u>			
- Eliminate Intern	4,600		
- Eliminate Clerical overtime	500		
	<u>5,100</u>		
<u>01-212 City Clerk</u>			
- Eliminate Depty City Clerk	15,134	1	
<u>01-213 City Treasurer</u>			
(No reductions)			
<u>01-214 City Attorney</u>			
- Reduce City Prosecutor for Code Enforcement	4,000		
- Reduce Labor Relation Counsel	9,000		
- Eliminate contingency for litigation	7,500		
	<u>20,500</u>		
<u>01-215 Administrative Services-Finance</u>			
- Elimination of overtime	2,000		
<u>01-217 Personnel</u>			
- Reduce level of testing	1,000		
- Reduce level of training	470		
	<u>1,470</u>		
<u>01-219 General Administration</u>			
- Eliminate memberships in:			
Foothill Freeway Assoc.	50.00		
Independ. Cities Assoc.	300.00		
Nat. League of Cities	700.00		
U.S. Conf. of Mayors	750.00		
S.G.V.A.C.	750.00		
	<u>2,550</u>		
- Eliminate City contribution to Chamber of Commerce	13,700		
- Reduce education & training	10,000		
	<u>26,250</u>		
Total General Administration	\$96,749	1	



1978-79 BUDGET ADJUSTMENTS







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I. PROGRAM AND SERVICE LEVEL REDUCTIONS

<u>Program</u>	<u>Net Reduction</u>	<u>Personnel Impact</u>	<u>Council Action</u>
<u>GENERAL ADMINISTRATION</u>			
<u>01-210 City Council</u>			
- Eliminate all salaries & benefits	12,095		
- Reduce scope of audit	12,000		
- Reduce conferences & travel	1,700		
- Reduce education & training	<u>500</u>		
	26,295		
<u>01-211 City Manager</u>			
- Eliminate Intern	4,600		
- Eliminate Clerical overtime	<u>500</u>		
	5,100		
<u>01-212 City Clerk</u>			
- Eliminate Deputy City Clerk	15,134	1	
<u>01-213 City Treasurer</u>			
(No reductions)			
<u>01-214 City Attorney</u>			
- Reduce City Prosecutor for Code Enforcement	4,000		
- Reduce Labor Relation Counsel	9,000		
- Eliminate contingency for litigation	<u>7,500</u>		
	20,500		
<u>01-215 Administrative Services-Finance</u>			
- Elimination of overtime	2,000		
<u>01-217 Personnel</u>			
- Reduce level of testing	1,000		
- Reduce level of training	<u>470</u>		
	1,470		
<u>01-219 General Administration</u>			
- Eliminate memberships in:			
Foothill Freeway Assoc.	50.00		
Independ. Cities Assoc.	300.00		
Nat. League of Cities	700.00		
U.S. Conf. of Mayors	750.00		
S.G.V.A.C.	<u>750.00</u>		
	2,550		
- Eliminate City contribution to Chamber of Commerce	13,700		
- Reduce education & training	<u>10,000</u>		
	26,250		
Total General Administration	\$96,749	<u>1</u>	







Program & Service Level Reductions - Continued

<u>Program</u>	<u>Net Reduction</u>	<u>Personnel Impact</u>	<u>Council Action</u>
<u>POLICE SERVICES</u>			
<u>01-220 Patrol</u>			
- Reduce maintenance & operation	9,249		
- Reduce Capital Outlay	<u>10,013</u>		
	19,262		
<u>01-221 Detectives</u>			
- Reduce maintenance & operation	1,280		
- Reduce Capital Outlay	<u>143</u>		
	1,423		
<u>01-222 Services</u>			
- Reduce maintenance & operation	4,780		
- Reduce Capital Outlay	<u>7,605</u>		
	12,385		
<u>01-223 Animal Control</u>			
- Reduce maintenance & Operation	631		
- Reduce Capital Outlay	<u>193</u>		
	824		
Total Police Services	\$33,894		
<u>FIRE SERVICE</u>			
<u>01-225 Suppression</u>			
- Reduce overtime for constant manning	10,000		
- Eliminate 1 dispatcher	12,000	1	
- Transfer hydrant rental	<u>18,000</u>		
	40,000		
<u>01-226 Prevention</u>			
- Reduce Mountain Patrol to half-time	12,000	1/2 (FTE)	
<u>01-227 Paramedics</u>			
(No reduction)			
<u>01-228 Emergency Preparedness</u>			
- Eliminate Civil Defense Coordinator	6,994	1/2 (FTE)	
- Reduce maintenance & operation	<u>1,075</u>		
	8,069		
Total Fire Services	\$60,069	2	







Program & Service Level Reductions - Continued

<u>Program</u>	<u>Net Reduction</u>	<u>Personnel Impact</u>	<u>Council Action</u>
<u>COMMUNITY DEVELOPMENT</u>			
<u>01-229 Building</u>			
- Eliminate Building Division Head (if replaced, it would be with a Bldg. Insp.)	19,000	1	
- Eliminate 1 vehicle	2,600		
- Eliminate Capital Outlay	<u>700</u>		
	22,300		
<u>01-230 Planning</u>			
- Eliminate Planning Division Head	25,601	1	
- Eliminate Capital Outlay	<u>850</u>		
	<u>26,451</u>		
Total Community Development	<u>\$48,751</u>	<u>2</u>	
<u>PUBLIC WORKS</u>			
<u>01-233 Engineering</u>			
- Eliminate Assoc. Civil Engineer position	19,000	1	
<u>10-234 Street Maintenance</u>			
- Reduce St. Maintenance level by 2 positions	30,000	2	
- Reduce by 10% all operating supplies	<u>3,500</u>		
	<u>33,500</u>		
Total Public Works	<u>\$52,500</u>	<u>3</u>	
<u>COMMUNITY SERVICES</u>			
- Permit Parks and Recreation fund to totally deplete their ending balance reserve in order to make it through the year.	81,000		
<u>04-240 Parks</u>			
- Elimination of Park Foreman position	20,924	1	
- Elimination of 1 Park vehicle	4,340		
- Reduce operating supplies by 6%	1,000		
- Reduce equipment maintenance budget	840		
- Reduce level of informational publications	250		
- Eliminate money for equipment rental	200		
- Reduce level of part-time staffing at Canyon Park (will reduce park hours)	1,640		
- Reduce level of uniform maintenance	259		
- Eliminate all training & seminars	300		
- Reduce level of maintenance & eliminate lighting of ball playing fields (These facilities are used primarily by MYBL & Jr. Football)	5,100		
Total	<u>\$34,853</u>	<u>1</u>	







Program & Service Level Reductions - Continued

<u>Program</u>	<u>Net Reduction</u>	<u>Personnel Impact</u>	<u>Council Action</u>
<u>04-238/239 Community Center/Recreation</u>			
- Full-time Community Center positions of Clerk, Custodian, Sr. Rec. Leader and Center Coordinator are funded but will not be filled. (No dollar impact)	0	4	
- Eliminate part-time positions in the Community Center not supported by special fees. (Refunding of these positions would increase operational levels of the Center and provide staff support for such programs as Senior Citizens, game room, etc.)	19,075	3 (FTE)	
- Eliminate part-time employees in the playgrounds recreation program. (Refunding of this program would re-establish the recreation playground program previously held at no charge during the summer at 7 playground sites.)	41,881	5 (FTE)	
- Eliminate Gymnasium Programs	3,267		
- Reduce General Recreation maintenance & operation	5,000		
- Reduce level of maintenance & eliminate lighting of ball playing fields (these facilities are used primarily by MYBL & Jr. Football)	5,100		
Total Community Center/Recreation	<u>74,323</u>	<u>14</u>	
Total Community Services	<u>\$190,176</u>	<u>15</u>	

LIBRARY

- Permit the Library Fund to totally deplete its ending balance reserve in order to make it through the year.	40,000		
- Eliminate 1 full-time clerical position	10,150	1	
- Reduction of part-time staff by 90% with reductions in service hours by 40% and elimination of special programs	59,200	8	
- Reduction in level of Facility Maintenance by 75%	6,200		
- Reduce by 25% contracted services	1,200		
- Reduction utility costs caused by a reduction in service hours	5,500		
- Reduce operating supplies by 85%	7,800		
- Eliminate book, periodical & audio visual purchases	54,500		
- Eliminate advertising & flyers	<u>2,100</u>		
Total Library	<u>\$186,650</u>	<u>9</u>	

(Priority for reinstatement of program levels involves different combinations of the preceding reductions. See attached priority list, appendix A for program funding increment.)





## II

### NEW OR INCREASED REVENUES

01-122	Hotel/Motel Tax	(No income 1st year)
01-115	Double Business License	\$70,000
01-144	Franchise	(No changes)
01-121	Increase animal license	11,000
01-122	Increase building permits	28,500
01-123, 124, 124, & 128	Double other development charges	21,700
01-170	Increase police service fees	7,000
01-180	Add fire services fees	1,500
01-180	Add paramedic charges	76,000
01-171	Increase engineering fees	7,500
04-182	Increased charges for use of Community Center for groups such as Senior Citizens	10,000
04-183	Increase Community Center rental rates for activities such as racquet ball, trips, and tours	12,000
04-183	Increase registration fees for classes and special re-creation programs	<u>6,000</u>
		\$251,200





### III

#### RESOURCE TRANSFERS

- Eliminate transfer of 25% of Revenue Sharing for social Services to general operations thereby eliminating Dial-a-Ride, Meals-on-Wheels, SNAP, YWCA, Family Service	\$94,000
- Transfer 75% of Revenue Sharing for non-recurring capital outlay and economic development to general operations.	195,600
- Increase transfer to General Fund from Sewer & Sanitation Fund by increasing sewer rates	<u>30,000</u>
TOTAL RESOURCE TRANSFERS	\$319,600





IV

PROGRAM FUNDING SHIFTS

- Charge for street sweeping on utility bill rather than from General Fund.	\$50,000
- Create Lighting and Landscaping Maintenance District	<u>525,889</u>
TOTAL PROGRAM FUNDING SHIFTS	\$575,889





RECAP

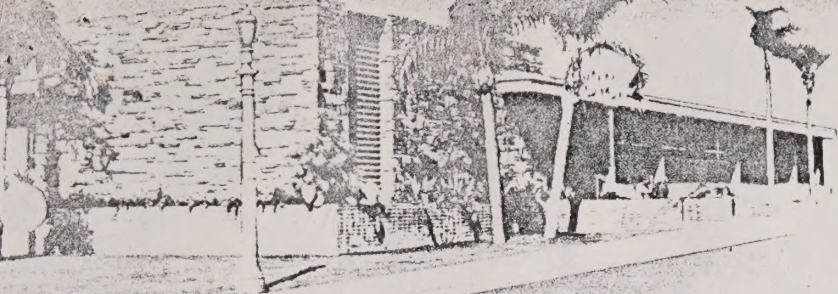
	<u>Net Reduction</u>	<u>Personnel</u>	<u>Council Action</u>
I. PROGRAM AND SERVICE LEVEL REDUCTIONS:			
General Administration	96,749	1	
Police Services	33,894		
Fire Services	60,069	2	
Community Development	48,751	2	
Public Works	52,500	3	
Community Services	190,176	15	
Library	<u>186,650</u>	<u>9</u>	
	668,789	32	
II. NEW OR INCREASE REVENUES	251,200		
III. RESOURCE TRANSFERS	319,600		
IV. PROGRAM FUNDING SHIFTS	575,889		
V. OTHER	<u>-0-</u>	<u>      </u>	
Sub Total	1,146,689	32	
GRAND TOTAL	\$1,815,478		

\* means "full-time-equivalent" positions.









# City of Monrovia

Incorporated 1887

415 SOUTH IVY AVENUE - MONROVIA, CALIFORNIA

Phone 359-3231

91016

June 21, 1978

Dear Fellow Monrovia,

During the last three weeks since the passage of Proposition 13, the news media has been full of stories about how many cities, schools, and counties are having to make large cutbacks in services.

The Monrovia City Council would like to use this opportunity to assure you that there will be no cutbacks in our City for such essential services as police and fire.

Like all levels of local government, cutbacks and sacrifices are going to have to be made, but there will be no cries of chaos or calamity from the City of Monrovia.

Your City Council has been working diligently for the last two months to insure that there will not need to be cutbacks in essential services regardless of what happens in the State Capital. Some cutbacks in leisure services such as the Library and Recreation might be necessary and many of the social services, such as Dial-a-Ride and Meals-on-Wheels, might be curtailed. However, it was the feeling of your City Council that the people would rather see fairly large reductions in those services rather than any cutbacks in the number of police officers or firemen.

The Council is also considering, or in some cases has already adopted, certain small increases in other revenues. A 50 cent a month increase has been placed on the sewer fee and a 50 cent a month charge is being added to the utility bill for street sweeping.

At the end of this month the Council will consider a change in the method of charging for street lights and street trees. The present method is based on the value of your home and the property tax rate. The proposed method is based only upon the benefits received--whether or not you have lights and trees on your street. For example, a lot with a 50 foot frontage with both lights and trees on their street will pay \$43 a year.

When all of these new charges mentioned above are added together, they amount to \$67 a year. By comparison, the property tax savings under Proposition 13 on a typical \$50,000 home will be over \$900 a year! Although these new charges will reduce slightly the Proposition 13 tax savings, the amount is very small and it will go a long way to insure that Monrovia will have none of the cutbacks in police and fire that are being talked about in other cities.

The only other new revenues being raised will be tied to the users of certain services--dog licenses will go up for dog owners, business licenses for businesses, development charges for developers.

If the State ends up giving financial aid to the cities, it will be possible for the City to restore the cutbacks in leisure services and reduce the new revenues. In the meantime, the people of Monrovia can rest assured that here there will be no loss of essential services or excessive increases in new taxes regardless of what is happening in other cities.

Each of us on the City Council hopes that you will be patient with us during these next several months as we try to do what is best for everyone in implementing the will of the people under Proposition 13.

Sincerely,

Monrovia City Council



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